

## USDA Export Programs

The Foreign Agricultural Service (FAS) administers several programs that promote or assist exporters of U.S. solid wood products. Two of these programs, the Foreign Market Development (FMD) program and Market Access Program (MAP), which was formerly called the Market Promotion Program (MPP), are conducted via cooperative agreements with the American Forest & Paper Association (AF&PA). The Export Credit Guarantee Program (GSM-102) is available to private U.S. commodity suppliers.

### **Foreign Market Development Program**

The goal of the Foreign Market Development Program, also known as the cooperator program, is to develop, maintain, and expand long-term export markets for U.S. agricultural products.

Created 40 years ago, the program fosters a trade promotion partnership between USDA and U.S. agricultural producers and processors who are represented by nonprofit commodity or trade associations called cooperators. Under this partnership, USDA and the cooperators pool their technical and financial resources to conduct market development activities outside the United States.

Participants in the program include approximately 40 groups representing specific U.S. commodity sectors, including solid wood products. FAS has a cooperator agreement with the American Forest & Paper Association (AF&PA) which has the responsibility for coordinating all of the wood products export market development programs being undertaken with FAS. In turn, AF&PA member trade associations conduct market development activities in cooperation with FAS. Jointly financed export promotional activities include trade servicing, technical training and educational programs, seminars, demonstrations, international trade exhibits, and trade missions to and from the United States. This program is not available to individual companies.

**Market Access  
Program**

The Market Access Program, authorized in 1996, uses funds from USDA's Commodity Credit Corporation (CCC) to help U.S. producers, exporters, and other trade organizations finance promotional activities for U.S. agricultural products. The MAP encourages the development maintenance, and expansion of commercial export markets for agricultural commodities including solid wood products. Activities financed include consumer promotions, market research, technical assistance, and trade servicing.

For more information on these two programs, contact the Forest and Fishery Products Division, 14th & Independence Avenue, S.W., Washington, DC 20250-1047. Tel. (202) 720-0638.

## **Cooperators**

The activities of the principal associations participating in the Cooperator Program for solid wood products are summarized below:

**American Forest & Paper Association** -- AF&PA's promotional philosophy is that, as the umbrella organization for the wood products industry, it has the responsibility of undertaking general overseas promotion for all wood products. Once a presence for U.S. wood products has been established, the thrust of further market development is turned over to U.S. regional product associations. Individual companies and associations are encouraged to follow up on AF&PA's ground breaking activities to try to establish overseas contacts and customers.

AF&PA conducts activities on issues that impact a large number of industry sectors and interests. Such issues include technical barriers to trade such as building codes and standards, fire and structural standards, systems design and application, test and

certification standards, phyto-sanitary issues, and so on. This includes activities in Japan, the EU, Korea, Southeast Asia, and Mexico. AF&PA also works in markets that are new to the U.S. wood products industry and are not yet developed to the point where product-specific promotion is warranted, except on a niche by niche basis. AF&PA has overseas offices in Japan, Korea, Hongkong, and Mexico.

AF&PA's primary goal is to create market access for a wide range of value-added forest products by working in concert with or on behalf of other U.S. wood products associations on issues that affect a broad segment of the industry, or in new markets where regional and product specific marketing is not yet required.

AF&PA works to enhance and support all other industry strategies, and works as a coordinating and liaison agent for these programs with FAS.

For further information contact AF&PA, 1111 19th Street, NW, # 800, Washington, DC 20036. Tel. (202) 463-2700; Fax. (202) 463-2785.

**American Hardwood Export Council** -- The American Hardwood Export Council (AHEC) was created to serve the global

demand for American hardwood products. AHEC, an umbrella association comprised of the major U.S. hardwood product associations and hardwood exporting companies, maintains offices in Europe, Southeast Asia, Japan, and Mexico. These offices provide information and services to overseas markets in support of the U.S. hardwood industry, participation in trade fairs, technical literature, and other trade servicing activities. AHEC services that support exporting include:

- ☐ International market development programs
- ☐ Technical information and literature
- ☐ Promotional assistance and seminars
- ☐ Market intelligence
- ☐ Trade missions, fairs, and exhibitions
- ☐ Trade barrier reduction
- ☐ Overseas offices
- ☐ Source list of supplies for retailers and consumers
- ☐ AHEC membership directory

For further information contact AHEC, 1111 19th Street, NW, # 800, Washington, DC 20036. Tel. (202) 463-2720; Fax. (202) 463-2787.

**APA - The Engineered Wood Association** -- The APA - The Engineered Wood Association, founded in 1933, represents engineered wood producers who manufacture approximately 80 percent of the structural panels (softwood plywood, oriented strand board) made in the United States. The Association also represents 65 percent by volume of the glued laminated timber manufactured in the United States. The APA - The Engineered Wood Association represents 50 member companies located throughout the United States, and provides a variety of services for its members. The objectives of these services are to:

- ☐ Increase product demand through domestic and international product promotion and marketing.
- ☐ Maintain product quality through a rigorous quality inspection and testing program.
- ☐ Research and develop new product applications and construction systems.

For further information contact APA - The Engineered Wood Association, Box 11700, Tacoma, WA 98411-0700. Tel. (253) 565-6600; Fax. (253) 565-7265.

**Southern Forest Products Association -- Southern Forest**

Products Association (SFPA) is a nonprofit trade association of Southern Pine lumber manufacturers from the states of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, and Texas. SFPA has regional marketing managers in the South, East, Midwest, and Western United States. In addition, SFPA is jointly represented with the Western Wood Products Association by offices in Europe, Mexico, and Japan. Promotional activities are carried out in the Caribbean from the headquarters of the SFPA in New Orleans, and in Japan in cooperation with the WWPA. The SFPA also conducts promotional activities with the participation of the SLMA in the Southern Pine Council (SPC). SFPA provides its members with:

- ☐ Marketing support (expansion and opening new markets for southern pine)
- ☐ Public relations and advertising
- ☐ Seminars for SFPA members and people in the building industry
- ☐ Government affairs activities
- ☐ Environmental communications
  
- ☐ Publications (newsletters and booklets) in French, German, Spanish, Italian, and Japanese

For further information contact SFPA, P.O. Box 641700, Kenner,  
LA 70064-1700. Tel. (504) 443-4464; Fax. (504) 443-6612  
<http://www.ssouthernpine.com>.

**Western Wood Products Association --** Western Wood Products

Association (WWPA) is a trade association representing lumber manufacturers in the 12 Western states and Alaska. The Association represents an industry which provided one-third of the lumber used in the U.S. in 1994. The Western industry is also the leading wood exporter, supplying nearly 1.5 billion board feet of lumber to foreign markets.

WWPA is responsible for delivering lumber quality standards and technical support, domestic and international marketing services, and statistical reporting on industry performance and lumber related economic trends. The Association offers in-market field support for Western lumber producers in both domestic and foreign locations, with representatives located in key user markets.

For further information contact WWPA, 522 SW 5th Avenue,  
Yeon Building, Portland, OR 97204-2122. Tel. (503) 224-3930;  
Fax. (503) 224-3934.



For a listing of the U.S. Wood Products Industry and FAS Contacts, please refer to Appendix XI.

**Export Credit  
Guarantee  
Program  
(GSM-102)**

The Export Credit Guarantee (GSM-102) program, administered by FAS, is designed to facilitate financing for foreign purchases.

Credit terms are generally from 180 days or less to 720 days for wood products. With each transaction, the foreign buyer's bank must issue an irrevocable letter of credit covering the port value (f.o.b./f.a.s. value) or, in some cases, cost and freight (c.&f. value) of the commodity exported. The U.S. exporter pays a fee and receives a payment guarantee from the CCC that will cover most of the amount owed to the U.S. bank in case the foreign bank defaults. The fee rate is equivalent to approximately two-fifths of 1 percent per annum on the outstanding coverage if paid semi-annually and one-half of 1 percent if paid annually.

Usually, the exporter will assign any proceeds from the payment guarantee to the U.S. bank financing the export sale. Thus, the foreign buyer may purchase commodities on deferred payment terms, and the exporter may nevertheless receive payment immediately after shipment. The U.S. bank financing the sale is protected by the CCC's guarantee in the event the foreign bank defaults under a letter of credit or related obligation. By

transferring the risk of loss from U.S. exporters to the U.S.

Government, the program helps to facilitate exports and permits exporters to meet competition from other countries.

The GSM-102 program is intended for cases where credit is necessary to increase or maintain U.S. exports to a foreign market and where private financial institutions would be unwilling to provide financing without the CCC's guarantee. The GSM-102 program is not designed to displace normal commercial transactions that would have occurred in the absence of the program. The program is directed toward countries where the guarantees are necessary to secure financing of the exports and where the destination country has the financial strength to provide a reasonable expectation that foreign exchange will be available to make payments as scheduled. The CCC reviews requests on a case-by-case basis, and any U.S. agricultural commodity whose export furthers the CCC's long-range market development objectives may be considered. For additional information about the GSM-102 program contact: Director, CCC Operations Division, Export Credits, Room 4519-S, FAS/USDA, Washington, DC 20250-1000. Tel. (202) 720-6211.